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Legislative Notice

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S. 1234 — Foreign Operations, Export Financing, and Related Programs Appropriation Bill, FY 2000

Calendar No. 159

Reported as an original bill from the Committee on Appropriations on June 17, 1999, by a vote of 28-0. S. Rept. 106-81.

NOTEWORTHY

- As reported by the Committee on Appropriations, S. 1234 provides a total of \$12.74 billion in new budget authority for foreign aid programs in FY 2000. This is \$1.87 billion below the Administration's request of \$14.62 billion. The request level, in fact, does not permit the Committee to comply with the Balanced Budget Act signed by President Clinton in 1997.
- The Committee bill specifies reduced amounts of economic assistance for Israel (\$960 million) and Egypt (\$735 million). Military assistance to those two countries is \$1.92 billion and \$1.3 billion respectively.
- The Committee's allocation of \$535 million for economic assistance to Eastern Europe and the Baltic States is \$142 million above the Administration's request. Country earmarks include \$150 million in economic aid to Kosovo, including \$20 million for training and equipping a Kosovo security force. The bill includes several restrictions on aid to Serbia, which S. 1234 designates a terrorist state by Congressional determination.
- S. 1234 includes longstanding prohibitions regarding the use of U.S. government funds to perform or promote abortion. The Committee bill includes language mandating that family planning funds provided to nongovernmental and multilateral organizations may not be subject to requirements more restrictive than those applicable to governments for such assistance; this means that foreign private organizations may not be subjected to what are known as "Mexico City" restrictions, which would deny family planning funds to foreign private organizations that use non-U.S. government funds for abortion. Mexico City-type language may be included in the yet-to-be-reported House counterpart bill to S. 1234.

HIGHLIGHTS

S. 1234 provides \$12.63 billion for discretionary spending, \$43.8 million for mandatory spending, and \$75 million for arrears for multilateral institutions. This chart shows totals by title:

Foreign Operations Appropriations, FY 2000 (Dollars, in thousands)

Appropriation Account	FY 1999 Level	Budget Estimate	Senate Committee Recommendation
Title I, Export and Investment Assistance	659,000	685,000	620,500
Title II, Bilateral Economic Assistance	8,078,789	8,287,037	7,469,337
Title III, Military Assistance	3,457,500	3,956,000	3,534,000
Title IV, Multilateral Economic Assistance	1,663,264	1,687,498	1,120,218
International Monetary Programs	17,861,000	-----	-----
Totals	31,719,553	14,615,535	12,744,055

BILL PROVISIONS

Title I: Export Assistance

This title provides \$620.5 million in funding for institutions that support U.S. exports: \$785 million for the **Export-Import Bank**, plus \$55 million for administrative expenses; \$10 million for the **Overseas Private Investment Corporation (OPIC)**, plus \$31.5 million in administrative expenses; and \$43 million for the **Trade and Development Agency**. (NOTE: Because of

revenues generated by the institutions funded under this title, the total appropriation is less than the sum of the individual line-item appropriations.)

Title II: Bilateral Economic Assistance

This title appropriates funds for carrying out the provisions of the Foreign Assistance Act of 1961. For FY 2000, the Committee recommendation for Bilateral Economic Assistance is \$3.51 billion, a reduction of \$203.6 million from the FY 1999 appropriation and \$454 million less than the budget request.

- A major component of bilateral economic assistance is **Development Assistance**, for which the Committee provides funding of \$1.93 billion. Country earmarks include Burma (\$6.5 million), Cyprus (\$15 million), and Indonesia (\$70 million).
- **International Disaster Assistance** receives \$175 million, which is \$25 million below the FY 1999 appropriation and \$45 million less than the budget estimate.
- **Economic Support Funds** total \$2.2 billion, of which \$960 million is earmarked for Israel, \$735 million for Egypt, and \$150 million for Jordan.
- The Committee allocates \$535 million for **Eastern Europe and the Baltic states** pursuant to the 1989 Support for East European Democracy (SEED) Act, and \$780 million for the **New Independent States of the former Soviet Union**. Funds for Russia are again conditioned on Moscow's ceasing its support for Iran's nuclear program; in addition, funds are conditioned on Russia's not having a zone of operational control in Kosovo and on the full integration of Russian forces in Kosovo under NATO unified command.
 - **Among the East European earmarks:** Kosovo, \$150 million (including \$20 million for training and equipping a security force), to be associated with an autonomous Kosovo government; Albania, \$85 million; Romania, \$60 million; Macedonia, \$55 million; Bulgaria, \$45 million; and Montenegro (which, together with Serbia, is a republic of Yugoslavia), \$35 million. Bosnia-Herzegovina is allocated \$130 million in funds drawn from SEED and from two other headings in the bill.
 - **Former USSR earmarks include:** Ukraine, \$210 million; Georgia, \$95 million (of which \$8 million is for judicial reform and law enforcement training); Armenia, \$90 million; and Mongolia, \$12 million.
- **The Peace Corps** is allocated \$220 million. In the report, the Committee expresses its concerns that the Peace Corps is making commitments to send volunteers abroad without adequate consideration of budget pressures which will not allow any increase in program levels for the foreseeable future.
- **State Department programs** receive \$1.02 billion, including: **international narcotics control and law enforcement**, \$215 million; **migration and refugee assistance**, \$610 million (of which \$60 million is available only for refugees resettling in Israel); and

nonproliferation, antiterrorism, demining, and related programs, \$175 million (of which no more than \$40 million is available for the Korean Peninsula Energy Development Organization (KEDO), subject to a number of reporting and certification requirements).

Title III: Military Assistance

Under this title, the Committee recommends a total of \$3.53 billion, an increase of \$76.5 million over FY 1999 but \$422 million below the budget estimate. The following should be noted:

- The Committee bill includes earmarks for: Israel (\$1.92 billion), Egypt (\$1.3 billion), Jordan (\$75 million), and Tunisia (\$10 million).
- The appropriation for **International Military Education and Training** is \$50 million.
- The Committee bill includes an appropriation of \$80 million for **peacekeeping activities**. This amount is \$3.5 million more than last year's appropriation but \$50 million below the Administration request.

Title IV: Multilateral Organizations and Programs

This title appropriates \$1.12 billion for U.S. contributions to international lending institutions — such as the International Bank for Reconstruction and Development (also called the World Bank), the International Development Association, the International Finance Corporation, and several regional banks — and for U.S. contributions to various international organizations and programs. The following should be noted:

- **International Lending Institutions** are provided \$950 million, as follows: **World Bank**, \$820 million; **Inter-American Development Bank**, \$25.6 million; **Asian Development Bank**, \$63.7 million; **African Development Bank**, \$5.1 million; **European Bank for Reconstruction and Development**, \$35.8 million.
- The Committee bill allocates \$170 million for **international organizations and programs**, which is \$17 million less than last year's spending and \$123 million less than the budget estimate. Of these funds \$25 million is earmarked for the **United Nations Population Fund (UNFPA)**.

Title V: General Provisions

This section contains a number of provisions directed towards specific policy questions, including the following:

Sec. 502 prohibits funds appropriated under Title II of this bill from being used to support international financial institutions (which are funded under Title IV).

Sec. 507 prohibits direct funding for Cuba, Iraq, Libya, North Korea, Iran, Sudan, and Syria.

Sec. 508 prohibits aid to countries whose elected government is deposed by military coup.

Sec. 518 prohibits the use of funds for abortion or involuntary sterilization.

Sec. 519 provides that in determining eligibility for family planning funds, nongovernmental and multilateral organizations may not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance (i.e., that they not advocate or perform abortion with non-U.S. government funds).

Sec. 524 bars indirect assistance to Cuba, Iraq, Libya, Iran, Syria, North Korea, and China.

Sec. 525 declares Serbia (defined as the Federal Republic of Yugoslavia, minus Montenegro and Kosovo) as a terrorist state subject to sanctions under several statutes and under Sec. 528 of S. 1234, which prohibits aid to terrorist states.

Sec. 528 prohibits bilateral assistance to countries that support terrorism.

Sec. 541 states U.S. policy on terminating the Arab League boycott of Israel.

Sec. 547 states the sense of the Congress that American-made equipment and products should be purchased with funds made available in this Act.

Sec. 551 prohibits assistance to foreign governments that export lethal military equipment to countries supporting international terrorism.

Sec. 552 requires the deduction from the funds available to any country of an amount equal to 110 percent of the unpaid parking fines owed to the District of Columbia by that country.

Sec. 553 limits assistance for the PLO for the West Bank and Gaza.

Sec. 554 permits a drawdown of up to \$30 million to support the United Nations War Crimes Tribunal for the former Yugoslavia.

Sec. 560 limits assistance to Haiti pending on progress on privatization, repatriation of illegal Haitian immigrants in the United States, investigating extrajudicial and political killings, police reform, and combating narcotics trafficking.

Sec. 564 limits assistance to Cambodia pending progress on elections and prosecuting Khmer Rouge leaders.

Sec. 565 prohibits lethal military equipment sold to Indonesia from use in East Timor.

Sec. 567 bars bilateral and multilateral funds (other than for humanitarian, democracy, various nation-building programs, and other exceptions) to Croatia, Serbia, and portions of Bosnia and Herzegovina under Croat or Serb control, pending presidential certification regarding transferral of indicted war criminals to the International Criminal Tribunal for the Former Yugoslavia.

Sec. 572 prohibits aid to the central government of the Democratic Republic of Congo (formerly known as Zaire).

Sec. 574 limits aid to the New Independent States of the Former Soviet Union pending progress on economic reforms, private ownership, and other principles.

Sec. 577 imposes limits on assistance to the Palestinian Authority.

Sec. 578 prohibits the termination of sanctions against Serbia (excluding Montenegro and Kosovo) unless the President certifies that specified steps have been taken with respect to human rights, a Kosovo settlement, and other requirements.

ADMINISTRATION POSITION

No Statement of Administration Policy (SAP) was available at press time.

COST

S. 1234 provides \$12.63 billion for discretionary spending, \$43.8 million for mandatory spending, and \$75 million for arrears for multilateral institutions, which is regarded as discretionary spending. That would appear to make this bill exceed its subcommittee allocation's budget authority. However, the Committee notes [on p. 57 of S. Rept. 106-81] that it anticipates that the Budget Committee will file revised Section 302(a) allocations for the Committee on Appropriations, reflecting an upward adjustment of \$75 million in budget authority for FY99, to cover the supplemental funding provided in the bill for the arrearages. With regard to outlays, the Committee, in consultation with the Congressional Budget Office, estimates that this bill would result in outlays of \$4.72 billion in FY 2000, \$3.05 billion in FY 2001, \$2.87 billion in FY 2002, \$766 million in FY 2003, and \$1.07 billion in FY 2004 and beyond.

POSSIBLE AMENDMENTS

Brownback. Silk Road Strategy Act of 1999 (S. 579, reported from the Committee on Foreign Relations on May 11, 1999; S. Rept. 106-45).

Allard. Bar sale of gold assets by International Monetary Fund.

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